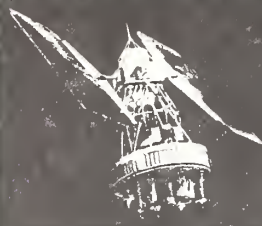


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Farm Broadcasters Letter



Letter No. 2263

May 22, 1986

LYNG TO CANADA

Sec'y of Agriculture Richard Lyng and Under Sec'y Daniel Amstutz will travel to Vancouver, Canada, for a June 2 meeting to discuss grain policy with their counterparts from Argentina, Australia, Canada and the European Community.

FORECAST FOR U.S. FARM EXPORTS

U.S. agricultural exports during fiscal 1986 are forecast at \$27.5 billion, down 2 pct. from the Feb. forecast and 12 pct. below fiscal 1985 exports, according to the U.S. Department of Agriculture. The reduction is due mainly to declines in the price and volume of grain and cotton exports. Importers have delayed purchases this year in anticipation of lower prices in the fall when new, lower loan rates and marketing loan provisions become effective. Exports of soybeans and meal are recording significant increases, largely in response to increased Soviet purchases and drought-reduced production in Brazil.

BUYOUT REVISED

Under a change to the Dairy Buyout Program, the U.S. Department of Agriculture is soliciting requests from participating dairy farmers to shift the scheduled slaughter of their herds from the program's first contracted disposal period to its second or third. USDA will allow this modification as a result of an agreement reached recently with the National Cattlemen's Association and other beef-industry interests.

FmHA REDUCES RATES

Due to the improved economy, the U.S. Department of Agriculture's Farmers Home Administration will reduce interest rates effective June 1 on its farmer program loans for the third consecutive month. The interest rate for farm operating loans will drop from 8.625 pct. to 8.00 pct., and the rate for farm ownership will drop a full point, from 9.25 pct. to 8.25 pct. Limited resource loans for operating purposes will be lowered from 5.6 pct. to 5 pct., the lowest permitted by law. Soil and water loans and Indian Land Acquisition loans will be reduced by a point, from 9.25 pct. to 8.25 pct.

USDA TO HELP REPAIR RURAL HOMES

The U.S. Department of Agriculture's Farmers Home Admin. will soon be accepting applications for grants to help repair and rehabilitate homes for very-low and low-income rural homeowners. Applications will be accepted beginning June 12 until July 28 from qualified public and private nonprofit organizations for grants totaling more than \$19 million. For more information, contact the local FmHA office.

LESS U.S. WHEAT FOR 1986

As of May 1, the 1986 U.S. winter wheat harvest is forecast by the U.S. Department of Agriculture at 1.60 billion bushels, 12 pct. under 1985 and a 7-year low. Program participation helped reduce prospective winter wheat harvest acreage about 10 pct. from last season. Winter damage and spring dryness significantly lowered the outlook for the 1986 soft red winter crop. Dryness in the Southern Plains reduced the forecast for hard red winter yields. Heavy acreage reduction program compliance by spring wheat growers may be offset somewhat by favorable soil moisture in the Northern Plains, pointing to total 1986 wheat production approaching 2.2 billion bushels, the smallest in 6 years.

WHEAT SUPPLIES RECORD HIGH

In spite of the smallest total U.S. wheat production in 6 years, the record carryover propels 1986/87 wheat supplies to a record 4.06 billion bushels. The prospects for expanding demand hinge on the impact of lower wheat prices on marketing. The loan rate was reduced for 1986 to \$2.40 a bushel, compared to \$3.30 in 1985. According to the U.S. Department of Agriculture, this is expected to result in expanded overseas sales in 1986/87, possibly adding 200 million bushels to last year's low volume of 900 million exported.

SURPLUS WHEAT FOR SCHOOLS

According to Sec'y of Agriculture Richard Lyng, States may receive an unlimited amount of flour for their school lunch and breakfast programs once they use the amount of flour they traditionally receive. The additional or bonus flour will not be counted as part of the States' regular allotment of USDA donated foods. Said Lyng, "We are taking this step in an effort to increase flour consumption and reduce the stockpile of surplus wheat that USDA is holding...By making flour available only after they use their usual amounts, we will minimize the displacement of commercial sales."

CASH EXPENSES DROP

The cash expenses of farmers in 1986 are forecast to drop 5 to 6 billion dollars from 1985, and close to 11 billion dollars from 1984, according to the U.S. Department of Agriculture. This will be the first time since the early 1930's that cash expenses have declined for 2 consecutive years. This year's drop, combined with larger Government payments, will help support 1986 net cash income at a forecast 42 to 46 billion dollars, about matching the record high estimated for 1985. Net farm income is expected to edge lower this year.

FARMLAND VALUES FELL 12 PCT.

U.S. farmland values fell 12 pct. in 1985, continuing the trend that began in 1981, according to the U.S. Department of Agriculture. The large fall in values, compared with cash rents, has put rent-to-value ratios closer to their pre-1974 levels. This suggests that land values may be stabilizing. Also, declines in interest rates are making it easier to purchase land. On the other hand, cash land rents may continue to decline as multiyear rent contracts expire and are renegotiated at lower levels to reflect expectations of lower returns.

186.3 MILLION ACRES ENROLLED

Sec'y of Agriculture Richard Lyng said producers have signed contracts to place just over 186 million acres of upland cotton, extra long staple cotton, feed grain, rice and wheat crop acreage bases in the 1986 acreage limitation programs. The signup was held March 6 through April 25. For the 1985 programs, 67.7 pct. of the 240 million acre crop acreage base was enrolled.

FROM OUR
TELEVISION
SERVICE

CURRENT AGRICULTURAL OUTLOOK...Farmer's cash expenses in 1986 are forecast to drop five to six billion dollars from 1985, and close to 11 billion from 1984. USDA economist Herb Moses discusses farm expenses as well as other factors contributing to the current agricultural outlook. DeBoria Janifer interviews. (191)

CURRENT WHEAT OUTLOOK...The 1986 U.S. winter wheat harvest is forecast at 1.6 billion bushels, down 12 percent from last year's total, and a seven year low for winter wheat. USDA economist Allen Schienbein examines the current situation and outlook for wheat. Vic Powell interviews. (192)

MEAT SALES TO BRAZIL...The U.S. Department of Agriculture recently signed a contract to sell Brazil 198 million pounds of beef. Jim Truran, USDA attache stationed in Brazil talks about this sale. Vic Powell interviews. (193)

EXPORT ENHANCEMENT PROGRAM...USDA analyst Jim Parker focuses on the Export Enhancement Program and how it will be used to reverse the decline in U.S. exports and provide needed growth in overseas sales. Vic Powell interviews. (194)

STRESS IN FARM FAMILIES...More and more farm families are experiencing stress which can cause harmful depression. Bob Hughes, University of Illinois, talks about the signs of stress and how farm families can better handle these tough times. Gary Beaumont interviews. (195)



FROM OUR RADIO
SERVICE

AGRICULTURE USA #1512...(Weekly 13½ min documentary) Some lakes are becoming more acid and less able to support aquatic life. Car finishes and building exteriors are deteriorating more rapidly. Is this due to the effects of acid rain? On this edition Gary Crawford gathers differing views from across the country.

AGRITAPE/FARM PROGRAM REPORT #1501...(Weekly reel of news features) USDA news highlights; Changes in export grain standards proposed; Ready cash for farmers; Bentonite reclamation; Sending beans overseas.

CONSUMER TIME #994...(Weekly reel of 2½-3 min features) A diet health study; Insulin and heart disease; Time to plant shrubs; Overweight kids; What to do; Landscaping your yard.

USDA RADIO NEWS SERVICE...Tues, June 10, Weekly weather and crop summary; Crop production report; Fri, June 13, Milk production report; Mon, June 16, Cattle on feed report. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. ET each working day.

OFF MIKE

The word is the regional NAFB meetings held during the past couple weeks have been excellent. We even hear that Dan Gordon (Tennessee Agrinet, Nashville) was "gently" pressured into being elected to serve another term as the National Vice President for the Southeast region. He accepted on the basis that Cindy Zimmerman and her co-workers at the Independent Florida Agrinet, Ocala, will hold the regional meeting in Orlando next year. We also learned that Art Sechrest (WJBC, Bloomington, Ill.) attended the SE Regional meeting and walked away with the coveted Jim Graham Barnyard Classis golf trophy. Our congratulations! ... Don Collins, vice-president of communications for The Fertilizer Institute here in Washington, D.C. is taking early retirement at the end of the month and that Tom Waldinger will move up into the VP position ... Ron Francis is the new Director of Communications for the National Association of Conservation Districts. He's headquartered at League City, Tex. No doubt you'll be hearing from him in the near future, if you haven't already ... Orion Samuelson (WGN, Chicago, Ill.) is probably in Japan as you read this. He was scheduled to leave Chicago for New York, May 21, and for Tokyo, May 22 ... Our Don Elder, who produces the weekly half-hour TV show A BETTER WAY reports he hosted the 500th edition of the show May 21. Margaret Desatnik in our office did a bit of checking with former USDA Radio/TV Chief Layne Beaty and learned that the original program known as ACROSS THE FENCE started in July 1961, and when the program was renamed at the beginning of 1976 there had been 649 editions of ACROSS THE FENCE ... Beginning May 30, we will be on a new satellite and time schedule for distributing our television programming. The original transmission of the programs will be each Friday, and the repeat transmissions will be each Monday. We will be on Spacenet I as follows: FRIDAY Spacenet I/4H (3840 MHZ, Channel 7) 2:45 p.m. EDT, News and Agriculture Update, 3:00 p.m. EDT DOWN TO EARTH, 3:30 p.m. EDT A BETTER WAY. MONDAY Spacenet I/5-H (3880 MHZ, Channel 9) 8:15 a.m. EDT News, 8:30 a.m. DTE, 9:00 a.m. ABW.



JAMES L. JOHNSON, Chief, Radio and Television Division

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